

Kmart

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They feature wider aisles, better lighting and a more logical arrangement of goods. High ceilings with some exposed ductwork give the stores an open feel.

The new layout groups items people buy most often at the front of the store. For example, clothing, baby supplies, cosmetics and household goods are close to the entrance, while tools and electronics are in the back.

The new store is a hit with Donald Lee, who has avoided Kmart's in the past because of their disorganized merchandise.

"The store is much more upscale and cleaner than a typical Kmart," Lee said. "This store is laid out very logically. You can find things in a reasonably short amount of time."

The new layout also reflects Kmart's push to deal with another long-standing negative in the minds of consumers — the retailer's lack of appealing brand names.

Near the center of the store is the Martha Stewart Everyday collection, where the color theme of muted blues, yellows and greens stand in stark contrast to the primary colors so prevalent in the rest of the store.

That's just the kind of change Kmart wants shoppers to notice: You can get 100 percent cotton sheets at a reasonable price. And her paint, which comes in 256 colors, is made by Sherwin-Williams.

"Martha is very, very picky," Hall said of her attention to detail and quality.

Hall held up a red Egyptian cotton bath towel from the Martha Stewart line that retails for \$7.99 at Kmart.

"You'll find that towel in department stores for \$13.99," Hall said.

The arrangement gives prominence to Kmart's other private-label lines: toys and clothing by Sesame Street, clothing by Jaclyn Smith and model Kathy Ireland. Even the KCafé serves pizza from Little Caesars.

Smith, who shopped in Meyerland growing up, noted that her first experience in fashion design was in Houston when she designed the dress for her high school prom. Today, her picture hangs above racks of clothes bearing her name.

Clothing sales have not done as well as the company had hoped, according to the last earnings release.

Men's and women's apparel sales were weak, the only two of the company's 19 divisions that didn't show some improvement, Brown Brothers Harriman analyst Joseph Ronning told Bloomberg News.

The Big Kmart shows the chain's push to attract more regular customers by building what amounts to a convenience store inside the store. The area, called The Pantry, offers items such as milk, cereal and canned goods that might save a shopper a trip to the grocery store.

"Those consumables are things that people shop for more frequently," said Sid Doolittle of McMillan Doolittle, a retail consulting firm in Chicago. "That change in content should result in increased frequency in visits."

The earnings report this week credited The Pantry with an improvement in store sales.

Kmart's strategy to reach young mothers seems to be working.

Shopper Penny Blankenship said this store plan should help her cut down on trips to the grocery because she'd be able to buy lunch, clothing and school supplies for her son in one trip.